



The Arecibo Resource Recovery Project

Facility Description:

- \$750+ million resource recovery / Waste-to-Energy facility
- 80 MW Gross / 70 MW Net - base load (24/7 operations) renewable energy facility
- Powered by 2,100 tons / day of processed municipal solid waste (> 20% of solid waste generated daily.)
- Proven technology - SEMASS reference facility in successful operation for over 20 years
- Renewable Alternative Energy source under Puerto Rico and U.S. Law
- Fully vetted - 22 public hearings / meetings completed and 23 agency endorsements secured
- Major source of short and long-term economic stimulus and job creation

Economic Benefits

- Over \$750 million infrastructure investment during economically challenging times
- Over \$30 million in annual goods and services purchase, which can be provided locally
- Over \$30 million in government revenues during 3.5-year construction process
- Over \$2 million/year in municipal taxes; over \$2 million in additional personal income taxes
- Approximately \$200 million in federal Investment Tax Credits available to the help keep costs down
- Over 7,000 direct, indirect and induced jobs during 3.5 years of construction
- Over 700 direct, indirect and induced full-time jobs during 30-year operating life of the project
- Represents 20% of the total infrastructure investment in Puerto Rico's Certified 10-year Fiscal Plan

Environmental Benefits:

- Major improvements to infrastructure and the environment
 - Replaces non-compliant landfills with fully compliant solid waste management capacity
 - Helps to end surface water and groundwater contamination from landfill leachate
- Major source of Green House Gas ("GHG") reductions
 - Reducing GHG emissions by over 1.1 million tons/year of CO₂ equivalent
- Major recycling contributor
 - Recovers materials for recycling / reuse that would otherwise be lost to landfill disposal
 - Greatly increases recycling rate of participating communities (>200 tons / day of metals recovery)

Energy Benefits:

- Provides base load renewable power, the type preferred by the Puerto Rico Electric Power Authority
- Located in Northern Puerto Rico, PREPA's preferred location for new, compliant generation
- Easily integrates into PREPA system through existing substation less than ½ mile away
- Fueled by locally generated biomass, supporting PREPA's fuel source diversification goals
- Meets all applicable regulations helping PREPA achieve full compliance and avoid future EPA fines
- Provides new capacity without impacting PREPA's balance sheet, as a privately financed facility
- Supports PREPA price stability goals through contract with no ties to fossil fuel pricing
- Supports Renewable Portfolio Standard without costly upgrades needed for intermittent facilities

Project Status

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| • Local & Federal Environmental Approvals: | Complete |
| • Fixed Price Construction Contract: | Complete |
| • Waste Services / Fuel Supply Agreement: | Complete |
| • Power Sales Agreement: | Complete (<i>Amendment Process Underway</i>) |
| • Equity Partner: | In place (<i>ARES EIF</i>) |
| • Debt Providers - Construction | Advisory team in place - <i>Piper Jaffray/Popular Securities</i> |
| • Debt Provider - Permanent | USDA Rural Utilities Service (RUS), NEPA EIS Process
pending only Record of Decision issuance |
| • PROMESA Critical Project Designation | Initial evaluation phase successfully completed |
- (*Puerto Rico Oversight, Management and Economic Stability Act*)